THE HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY

WRIT PETITION No. 12445 of 1998

Dated: 31.10.2007

Between:

Hindustan Cables Officers Association
Mehdipatnam, Hyderabad.

… Petitioner

AND

Hindustan Cables Limited,
9 Elgin Road, Calcutta
& others.

… Respondents

Counsel for the petitioner : Sri K. Raghuveer Reddy

Counsel for the respondents : Sri V. Venkatramana

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WRIT PETITION No. 12445 of 1998

ORDER:-

This writ petition is filed for a writ of mandamus to declare circular dated 05.08.1997 issued by respondent No.3, as illegal, arbitrary and without jurisdiction.

A perusal of the affidavit filed in support of the writ petition shows that the petitioner is a registered association formed with the object of protecting the interest of its members, who are the officers working in respondent No.1 company. As a part of policy to provide rent-free accommodation, respondent No.1 framed rules by providing self-lease of residential accommodation. Respondent No.3 issued circular dated 05.08.1997, whereunder he suspended the scheme of self-lease. As a result of this circular, the renewal of leases, which expired earlier, is not being made. The present writ petition is therefore filed questioning the said circular.

A counter-affidavit has been filed by respondent No.3 wherein it is stated that in the year 1993, respondent No.1 company introduced a welfare scheme of self-leasing of residential accommodation applicable to the officers of the company; that under the said scheme the officers were getting a little more money than the house rent allowance; that in view of the acute financial sickness of respondent No.1 company quite for some time, disabling the company to pay even salaries to its employees,

the issue of impugned circle was necessitated. As a first step, proceedings dated 29.08.1997 were issued by respondent No.2 suspending the receipt of fresh applications for self-leasing facility and later respondent No.3 issued the impugned circular after obtaining the approval of the Chief Executive of HCL of the Hyderabad Unit of respondent No.1 company. It is further stated that all the units located at Rupnarainpur, Allahabad and Hyderabad are running in losses and this fact forced the respondents to take harsh decisions to reduce the costs. It is further stated that the respondents are finding it difficult to pay even water and electricity charges.

Heard the learned counsel for the parties and perused the record.

A perusal of circular dated 05.08.1997 shows that in view of the bad financial position of the 1st respondent company, the decision to suspend the self-leasing scheme was taken. It is not the case of the petitioner that the self-leasing scheme is a part of the service condition of the employees of respondent No.1. As pleaded in the counter-affidavit filed on behalf of the respondents, it is only a privilege conferred on the members of the petitioner's association. The fact that the company is in a very bad financial state is not disputed by the petitioner. Therefore, if the respondents as a face saving measure have suspended the said scheme, the same cannot be termed as arbitrary or illegal. The withdrawal of a privilege conferred earlier does not constitute violation of any of the legal rights of the members of the petitioner's association.

For the aforementioned reasons, the writ petition is wholly meritless and the same is dismissed.

As a sequel to dismissal of the writ petition, WPMP.No.15060 of 2007 filed by the petitioner for interim relief is also dismissed.

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C.V. NAGARJUNA REDDY, J

Date: 31.10.2007
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